

# Finance, Audit and Risk Monitoring (FARM) Committee Charter

## 1. About the Committee

1.1 The Finance, Audit and Risk Monitoring (FARM) Committee ('the Committee') is a standing Committee of the Australian Dental Council (ADC) that makes recommendations and advises the ADC Board ('the Board') on matters within the scope of its terms of reference.

## 2. Preamble

2.1 The objectives of the Committee are to:

- assist the ADC to discharge its responsibility to exercise due care, diligence and skill in relation to:
  - finance,
  - risk,
  - business policies and practices,
- ensure compliance with applicable laws, regulations, standards and best practice guidelines;
- improve the quality of internal and external reporting of financial and non-financial information; and
- provide advice to the Board.

## 3. Terms of reference

3.1 The Committee's terms of reference are to:

- a) monitor the ADC's finances and ensure a budget is prepared annually for the ADC and Dental Board of Australia (DBA);
- b) receive a compliance report annually from an external accountancy firm regarding the ADC's financial operational practices;
- c) monitor the organisation's ability to assess, monitor and manage risks;
- d) review the ADC's Risk Management Plan;
- e) review the ADC's policies related to the objectives and make recommendations to the Board;
- f) review the ADC's periodic and annual audited financial statements prior to their submission to the Board;
- g) liaise with the ADC's external auditor in relation to the scope, planning and follow up of audits;
- h) periodically review the organisation's staff and committee delegations and management systems;
- i) provide a forum for discussion with senior management on corporate risks and related matters;
- j) seek independent advice/expertise where this is believed warranted for due

- diligence; and
- k) consider other related matters as referred by the Board.

#### 4. Membership

- 4.1 The Committee will comprise of three (3) members including:
- Two (2) members with relevant expertise who hold directorship of the ADC.
  - An independent member who has expertise in finance, audit and/or risk management.
- 4.2 Where the Board considers that the Committee requires additional expert input, a fourth member may be appointed.

#### 5. Appointments

- 5.1 Appointments to the Committee are made by the ADC Board of Directors in accordance with the membership outlined in item 4, and on recommendation from the Nominations Committee in consultation with the CEO and Committee Chair.

#### 6. Meetings

- 6.1 The Committee will meet as required, face-to-face or by teleconference. The Committee will meet at least two times per year.
- 6.2 The quorum of the Committee is a majority of the members.

#### 7. Authority and responsibilities

- 7.1 The Committee will conduct its affairs under the Charter, policies and guidelines approved by the Board.
- 7.2 Upon receipt of a recommendation or advice from the Committee, the Board may request that the Committee gives further consideration to any relevant matters or takes further action, as the Board specifies.
- 7.3 Meeting minutes are included in the agenda of the Board and any relevant documents are made available.

#### 8. Review

- 8.1 The Charter will be reviewed by the Board at least every two years or as required.

Approved: ADC Board

Approval Date: 24 May 2019